

AD BANKER LIFE AND HEALTH PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What does an insured receive if they have dual coverage and submit a claim?**
 - A. A full payment from both insurers regardless of limits.
 - B. Payment from the primary insurer, and any excess from the secondary insurer.
 - C. The total amount will be split equally between both insurers.
 - D. A service refund from their insurer for dual coverage.
- 2. What information must be provided to the insured prior to any premium rate increase?**
 - A. A face-to-face meeting
 - B. Written notice at least 30 days before
 - C. An update on market conditions
 - D. A summary of policy benefits
- 3. What do dividend options refer to?**
 - A. Investment strategies for insurance premiums
 - B. Policyowner choices for dividend distribution
 - C. Deadlines for premium payments
 - D. Tax implications for dividends received
- 4. What type of benefit does a disability income provision aim to provide?**
 - A. Life insurance payout for dependents
 - B. Cash benefit upon reaching retirement age
 - C. Refund of premiums based on claims activity
 - D. Tax deductions for premiums paid
- 5. Which term best describes the transfer of care and evaluation to another physician?**
 - A. Emergency care
 - B. Second surgical opinion
 - C. Primary care referral
 - D. Specialist consultation

- 6. What is the purpose of estate conservation in insurance?**
- A. To fund retirement plans for beneficiaries
 - B. To provide liquidity for estate taxes upon death
 - C. To cover funeral expenses only
 - D. To insure physical assets like property
- 7. What is a key feature of a Renewable Term policy?**
- A. Premiums stay the same for the lifetime of the policy
 - B. It guarantees the individual a new policy upon renewal
 - C. It allows renewal without evidence of insurability
 - D. Benefits are paid as a lump sum upon death
- 8. What do dividends in insurance policies represent?**
- A. A guaranteed return on investment
 - B. A share of the insurer's earnings returned to policyholders
 - C. Funds provided for policy upgrades
 - D. A tax on surplus earnings
- 9. To what does the "corridor deductible" in a Supplemental Major Medical Policy refer?**
- A. Deductibles for outpatient treatments
 - B. Amount the insured pays before major medical coverage begins
 - C. Annual deductibles for basic medical policies
 - D. Fees associated with late payments
- 10. What does Basic Surgical Expense cover?**
- A. Costs associated with hospital stays
 - B. Surgeon and anesthesiologist fees for surgeries
 - C. Fees for outpatient procedures only
 - D. Costs related to prescription medications

Answers

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1. B
2. B
3. B
4. C
5. B
6. B
7. C
8. B
9. B
10. B

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Explanations

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1. What does an insured receive if they have dual coverage and submit a claim?

- A. A full payment from both insurers regardless of limits.
- B. Payment from the primary insurer, and any excess from the secondary insurer.**
- C. The total amount will be split equally between both insurers.
- D. A service refund from their insurer for dual coverage.

When an insured has dual coverage and submits a claim, the process involves coordination of benefits between the two insurers. The primary insurer is responsible for the payment of the claim up to its limits and within the terms of the policy. The primary insurer pays first, covering eligible expenses according to its policy's provisions, and can cover costs up to its maximum benefit limits. Once the primary insurer has settled the claim, the insured can then seek reimbursement from the secondary insurer for any remaining expenses that are covered under the secondary policy. This means that the secondary insurer will pay for any excess costs that are not covered by the primary insurer, up to its own coverage limits. This system ensures that the insured does not receive more than the total cost incurred but can maximize their benefits through both policies. The option stating that the insured receives payment from the primary insurer, along with any excess from the secondary insurer, accurately reflects this process of dual coverage and coordination between policies.

2. What information must be provided to the insured prior to any premium rate increase?

- A. A face-to-face meeting
- B. Written notice at least 30 days before**
- C. An update on market conditions
- D. A summary of policy benefits

The correct answer requires the insurance provider to give written notice to the insured at least 30 days before any increase in premium rates. This requirement serves to ensure that policyholders are adequately informed about changes that could impact their finances and allows them time to assess their options in response to the new rates. By stipulating a minimum notice period, the regulation aims to promote transparency and responsible communication between insurers and insured parties. This practice helps ensure that policyholders can make informed decisions about whether to continue with their current policy, shop for alternatives, or adjust their coverage based on the new premium costs. It's important to note that while meetings or discussions about policy details can be part of customer service practices, they do not fulfill the specific regulatory requirement that mandates written notice for premium increases. Similarly, updating on market conditions or providing a summary of policy benefits, while potentially useful information, does not address the specific requirement for notice regarding premium changes.

3. What do dividend options refer to?

- A. Investment strategies for insurance premiums
- B. Policyowner choices for dividend distribution**
- C. Deadlines for premium payments
- D. Tax implications for dividends received

Dividend options refer to the choices policyowners have regarding how they wish to receive or utilize any dividends generated by their insurance policy. In the context of participating life insurance policies, which can generate dividends based on the insurer's financial performance, policyowners can choose from several options, such as taking the dividends in cash, using them to reduce premiums, purchasing additional coverage, or accumulating them at interest. This flexibility allows policyowners to tailor the use of their dividends according to their financial needs or goals, making this choice a critical aspect of managing a life insurance policy effectively. The ability to decide how to handle dividends can significantly impact the overall value and benefits derived from the policy.

4. What type of benefit does a disability income provision aim to provide?

- A. Life insurance payout for dependents
- B. Cash benefit upon reaching retirement age
- C. Refund of premiums based on claims activity**
- D. Tax deductions for premiums paid

A disability income provision is designed to provide a cash benefit to individuals who become unable to work due to a disabling condition. This financial support aims to replace a portion of the individual's lost income, helping them manage their living expenses when they cannot earn a paycheck. The key aspect of this provision is that it offers ongoing payments for a specified duration or until the individual recovers, emphasizing income replacement rather than just a one-time payment. The focus on cash benefits aligns closely with the need for financial stability during a period of unemployment caused by disability, making this provision critical for individuals who rely on their income to support themselves and their families. In contrast, the other options do not pertain directly to the essence of what a disability income provision offers. Life insurance payouts cater to the financial needs of dependents after the policyholder's death, while retirement benefits concern income after reaching a certain age. Refund of premiums, on the other hand, relates to the return of money based on claims activity but does not directly address the need for income replacement during a disability. Lastly, tax deductions for premiums do not influence the immediate financial assistance a person receives in the context of disability, making them irrelevant in this context.

5. Which term best describes the transfer of care and evaluation to another physician?

- A. Emergency care
- B. Second surgical opinion**
- C. Primary care referral
- D. Specialist consultation

The term that best describes the transfer of care and evaluation to another physician is "second surgical opinion." This process typically involves a patient seeking an additional professional perspective on a recommended surgical procedure. It emphasizes the concept of obtaining another physician's viewpoint to validate or question the initial evaluation and recommendations regarding surgery. This term implies a form of referral or consultation specifically to ensure that the patient has considered all options before proceeding with a significant medical intervention. It helps patients make informed decisions about their health care and can improve outcomes by confirming the need for surgery or suggesting alternative treatments. In contrast, the other terms have different meanings and contexts in medical care. Emergency care refers to immediate treatment for urgent medical issues, while primary care referral relates to sending a patient to a specialist based on the primary physician's assessment. Specialist consultation is the more general process of involving a specialist to diagnose or treat a particular condition but does not specifically imply a second opinion regarding surgery as a targeted term does.

6. What is the purpose of estate conservation in insurance?

- A. To fund retirement plans for beneficiaries
- B. To provide liquidity for estate taxes upon death**
- C. To cover funeral expenses only
- D. To insure physical assets like property

The purpose of estate conservation in insurance focuses primarily on providing liquidity for estate taxes upon the death of an individual. When someone passes away, their estate may be subject to various taxes, including estate taxes, which can be substantial depending on the value of the assets involved. Life insurance can play a crucial role in ensuring that sufficient funds are available to cover these taxes. By having a life insurance policy in place, the beneficiaries are provided with a tax-free death benefit that can be used to settle these obligations, allowing the estate to be preserved and efficiently administered. This means that the assets can be passed on to heirs without needing to sell valuable property or liquidate assets just to pay the tax burden. While other options may fulfill various financial needs, they do not address the specific purpose of estate conservation, which is primarily aimed at ensuring that an estate can meet its tax obligations without undue burden on the surviving family members or potential estate executors.

7. What is a key feature of a Renewable Term policy?

- A. Premiums stay the same for the lifetime of the policy
- B. It guarantees the individual a new policy upon renewal
- C. It allows renewal without evidence of insurability**
- D. Benefits are paid as a lump sum upon death

A key feature of a Renewable Term policy is that it allows renewal without evidence of insurability. This means that when the policy reaches its expiration date, the policyholder has the right to renew the policy for another term without needing to provide additional medical information or undergo a health screening. This characteristic is particularly valuable for individuals who may develop health issues over time, as it ensures they can continue their coverage regardless of changes in their health status. The ability to renew without evidence of insurability provides peace of mind and financial security, as it mitigates the risk of losing life insurance coverage due to health changes. This feature is especially important in term life insurance, where the coverage duration is limited. While the other options relate to features found in some insurance policies, they do not specifically describe the defining characteristic of a Renewable Term policy. For instance, premiums remaining the same for the lifetime of the policy pertains more to level term life insurance rather than the renewability aspect. Guaranteeing a new policy upon renewal is not a standard promise across all Renewable Term policies, as it primarily focuses on the ability to renew. Lastly, benefits paid as a lump sum upon death is a general characteristic of life insurance policies but does not specifically pertain to the renewable feature of

8. What do dividends in insurance policies represent?

- A. A guaranteed return on investment
- B. A share of the insurer's earnings returned to policyholders**
- C. Funds provided for policy upgrades
- D. A tax on surplus earnings

Dividends in insurance policies represent a share of the insurer's earnings returned to policyholders. This is based on the principle that mutual insurance companies, which are owned by their policyholders, may distribute a portion of their profits back to those policyholders in the form of dividends. The amount of dividends paid is not guaranteed, as it depends on various factors including the company's overall financial performance, claims experience, and investment returns. This sharing of profits reflects the collaborative nature of mutual companies, where policyholders collectively benefit from the company's success. Hence, when policyholders receive dividends, it serves as a recognition of their participation in the insurer's growth and profitability. It's important to note that while dividends can be a positive aspect of being a policyholder, they are distinct from guaranteed returns, which are explicitly promised in certain types of insurance contracts.

9. To what does the "corridor deductible" in a Supplemental Major Medical Policy refer?

- A. Deductibles for outpatient treatments
- B. Amount the insured pays before major medical coverage begins**
- C. Annual deductibles for basic medical policies
- D. Fees associated with late payments

The term "corridor deductible" in a Supplemental Major Medical Policy specifically refers to the amount that the insured is required to pay out-of-pocket before the major medical coverage kicks in. This deductible serves as a transition between the basic medical coverage and the supplemental major medical coverage. In simpler terms, after the insured has exhausted their basic policy benefits, they will hit the corridor deductible threshold. Once this threshold is met, the supplemental major medical coverage will begin to cover eligible medical expenses. This structure is designed to help manage costs and provides a layered approach to healthcare coverage, ensuring that the insured is responsible for a portion of their medical expenses before more comprehensive benefits are accessed. Understanding this concept is crucial, as it highlights the mechanics of how supplemental coverage interfaces with basic medical policies, influencing overall insurance planning and financial responsibility for covered individuals.

10. What does Basic Surgical Expense cover?

- A. Costs associated with hospital stays
- B. Surgeon and anesthesiologist fees for surgeries**
- C. Fees for outpatient procedures only
- D. Costs related to prescription medications

Basic Surgical Expense insurance primarily covers the fees charged by surgeons and anesthesiologists for surgeries. This coverage typically focuses on the professional services rendered during surgical procedures, ensuring that insured individuals are protected from the financial burden of these critical healthcare costs. Understanding this, it's clear that the essence of Basic Surgical Expense lies in addressing the direct costs related to surgery rather than ancillary services associated with hospitalization, outpatient procedures, or medications. This type of coverage is designed to provide essential financial assistance for surgical interventions, making option B the most accurate representation of what Basic Surgical Expense encompasses.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://adbankerlifehealth.examzify.com>

We wish you the very best on your exam journey. You've got this!

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